

Globalization Test

Multiple Choice

Identify the choice that best completes the statement or answers the question.

- _____ 1. The global is the _____ economies of the nations of the world.
a. independent c. **interconnected**
b. integrated d. internationalized
- _____ 2. When a country exports more than it imports, it has a trade _____.
a. excess c. balance
b. deficit d. **surplus**
- _____ 3. The goods and services that China sells to other countries are China's _____.
a. surplus c. **exports**
b. domestic output d. imports
- _____ 4. When countries focus on a particular activity, area, or product is called _____.
a. **specialization** c. isolation
b. nationalization d. globalization
- _____ 5. _____ trade involves the exchange of goods and services between nations.
a. Multinational c. Lateral
b. **International** d. Universal
- _____ 6. A balance of trade is the difference in _____ between a country's imports and exports over a period of time.
a. **value** c. quantity
b. scope d. quality
- _____ 7. A(n) _____ is a tax placed on imports.
a. quota c. levy
b. embargo d. **tariff**
- _____ 8. A quota limits the quantities of a product that can be _____.
a. **imported** c. exported
b. sold d. produced
- _____ 9. In a trade alliance, several countries merge their economies into one huge _____.
a. venture c. corporation
b. **market** d. enterprise
- _____ 10. _____ usually are used for political or military reasons.
a. Quotas c. **Embargos**
b. Trade barriers d. Tariffs
- _____ 11. Protectionism is the practice of the government putting _____ on foreign trade to protect businesses at home.
a. **limits** c. quotas
b. tariffs d. embargos
- _____ 12. When talking about trade disputes, protectionism and free trade represent _____ points.
a. controversial c. **opposing**
b. similar d. identical

- ____ 13. NAFTA combines the economies of the United States, Mexico, and _____.
a. Latin America c. Africa
b. Canada d. South America
- ____ 14. International trade may allow a domestic business to be out-performed by a _____ stronger multinational company.
a. barely c. larger
b. cooler d. financially
- ____ 15. When comparing exchange rates, which statement is true?
a. If a country's currency is higher than another's, it has less buying power b. If a country's currency is higher than another's, it has more buying power.
- ____ 16. The production, purchase, and sale of goods and services within a country is called _____ trade.
a. internal c. national
b. local d. domestic
- ____ 17. _____ occurs when there are few or no limits on trade between countries.
a. Free Trade c. Limited competition
b. Protectionism d. Globalization
- ____ 18. The price at which one currency can buy another currency is called the _____.
a. trading rate c. exchange rate
b. international rate d. servicing rate
- ____ 19. In July 2013, U.S. exports to Mexico were worth \$54 million and imports were worth \$123 million. During that month, the U.S. has an unfavorable _____ with Mexico.
a. balance of trade c. import ratio
b. economic balance d. export ratio
- ____ 20. A quota is an example of a(n) _____.
a. embargo c. trade barrier
b. trade alliance d. tariff
- ____ 21. Which of the following are risk(s) of international trade?
a. risk of exchange c. surrendering of political sovereignty
b. all of the answers d. language barriers
- ____ 22. The development of the global economy is often called _____.
a. nationalization c. concentration
b. centralization d. globalization
- ____ 23. If a French-based company, Tellute, invests in an American-based company, Raytheon; one would say that Tellute is making a _____ in Raytheon.
a. problem c. direct investment
b. statement d. withdrawal

Globalization Test Answer Section

MULTIPLE CHOICE

- | | |
|------------|--------|
| 1. ANS: C | PTS: 1 |
| 2. ANS: D | PTS: 1 |
| 3. ANS: C | PTS: 1 |
| 4. ANS: A | PTS: 1 |
| 5. ANS: B | PTS: 1 |
| 6. ANS: A | PTS: 1 |
| 7. ANS: D | PTS: 1 |
| 8. ANS: A | PTS: 1 |
| 9. ANS: B | PTS: 1 |
| 10. ANS: C | PTS: 1 |
| 11. ANS: A | PTS: 1 |
| 12. ANS: C | PTS: 1 |
| 13. ANS: B | PTS: 1 |
| 14. ANS: D | PTS: 1 |
| 15. ANS: B | PTS: 1 |
| 16. ANS: D | PTS: 1 |
| 17. ANS: A | PTS: 1 |
| 18. ANS: C | PTS: 1 |
| 19. ANS: A | PTS: 1 |
| 20. ANS: C | PTS: 1 |
| 21. ANS: B | PTS: 1 |
| 22. ANS: D | PTS: 1 |
| 23. ANS: C | PTS: 1 |